

2Q FY2019 (Apr.-Sept. 2019)

Earnings Presentation

November 19, 2019

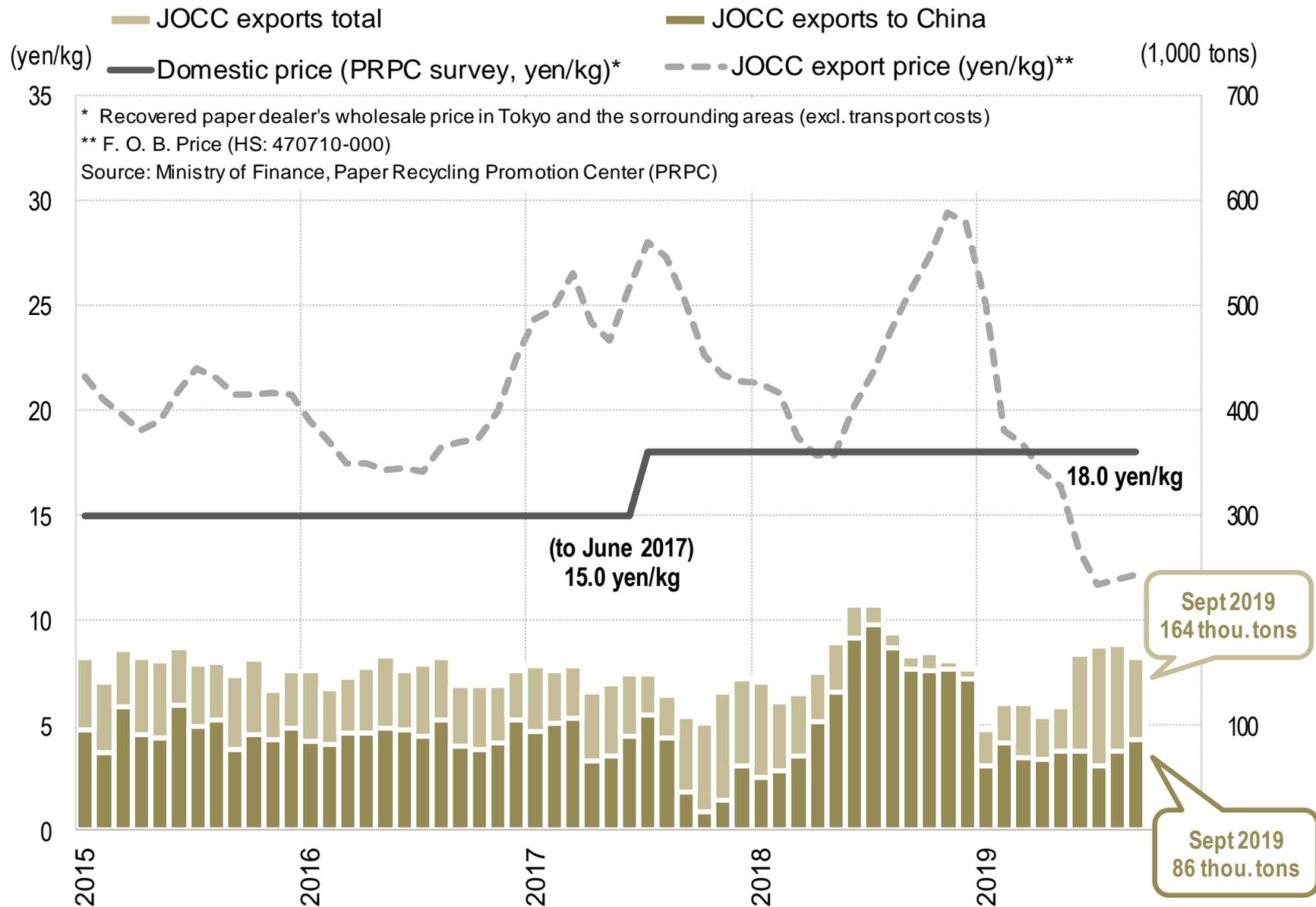
The General Packaging Industry

RENCO

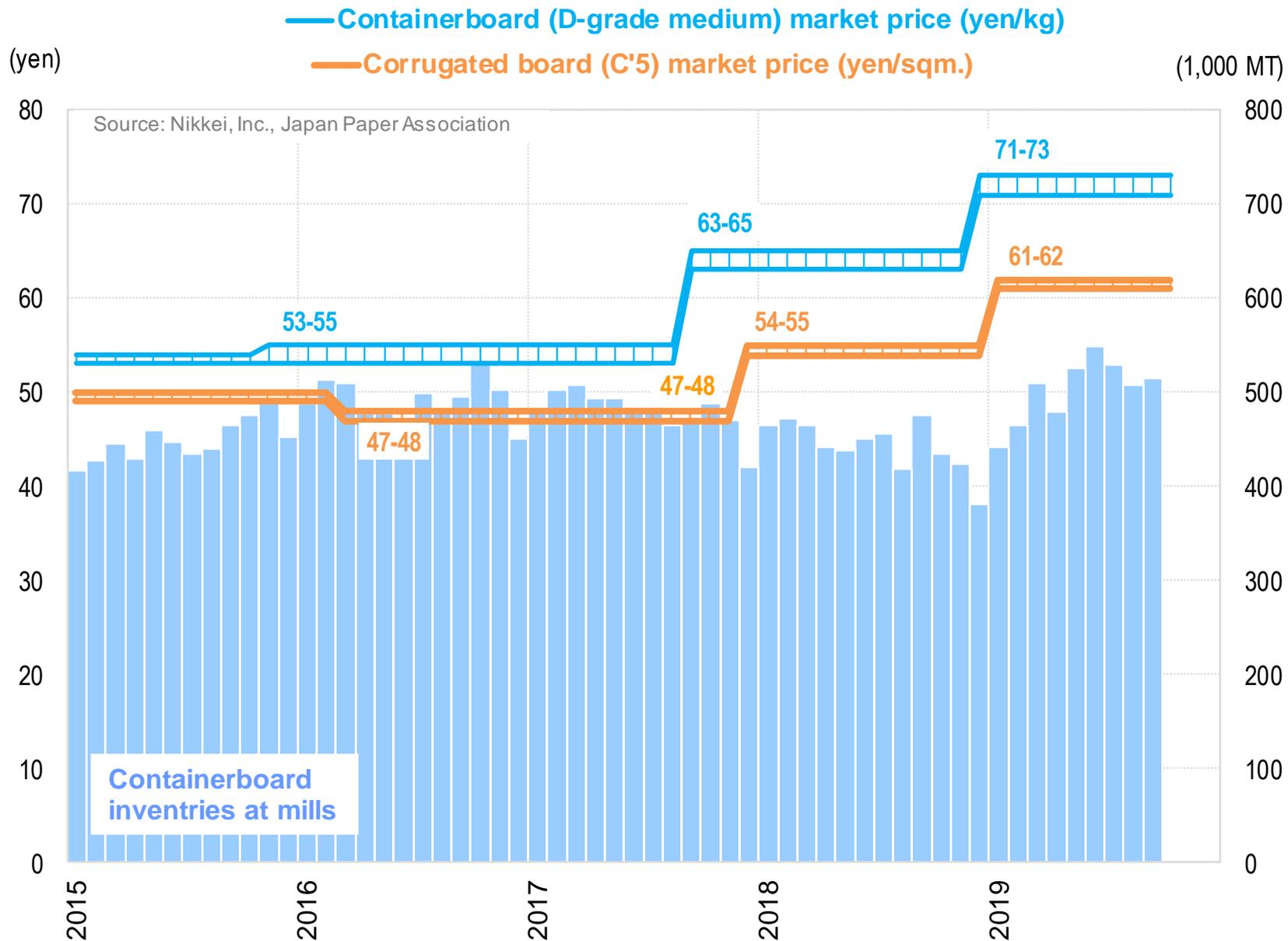
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1. Trends in Old Corrugated Containers (OCC)



2. Trends in Containerboard and Corrugated Board



3. Consolidated Statement of Income (Year-on-year)

(billion yen)

	Apr.-Sept. 2018	Apr.-Sept. 2019	YoY	Diff.
Net sales	320.5	338.0	105.4%	17.5
Operating income	15.2	21.2	139.9%	6.0
Ordinary income	16.6	22.3	134.2%	5.7
Extraordinary gain and loss	-0.5	-0.9	-	-0.4
Profit attributable to owners of the parent	11.1	14.9	134.3%	3.8

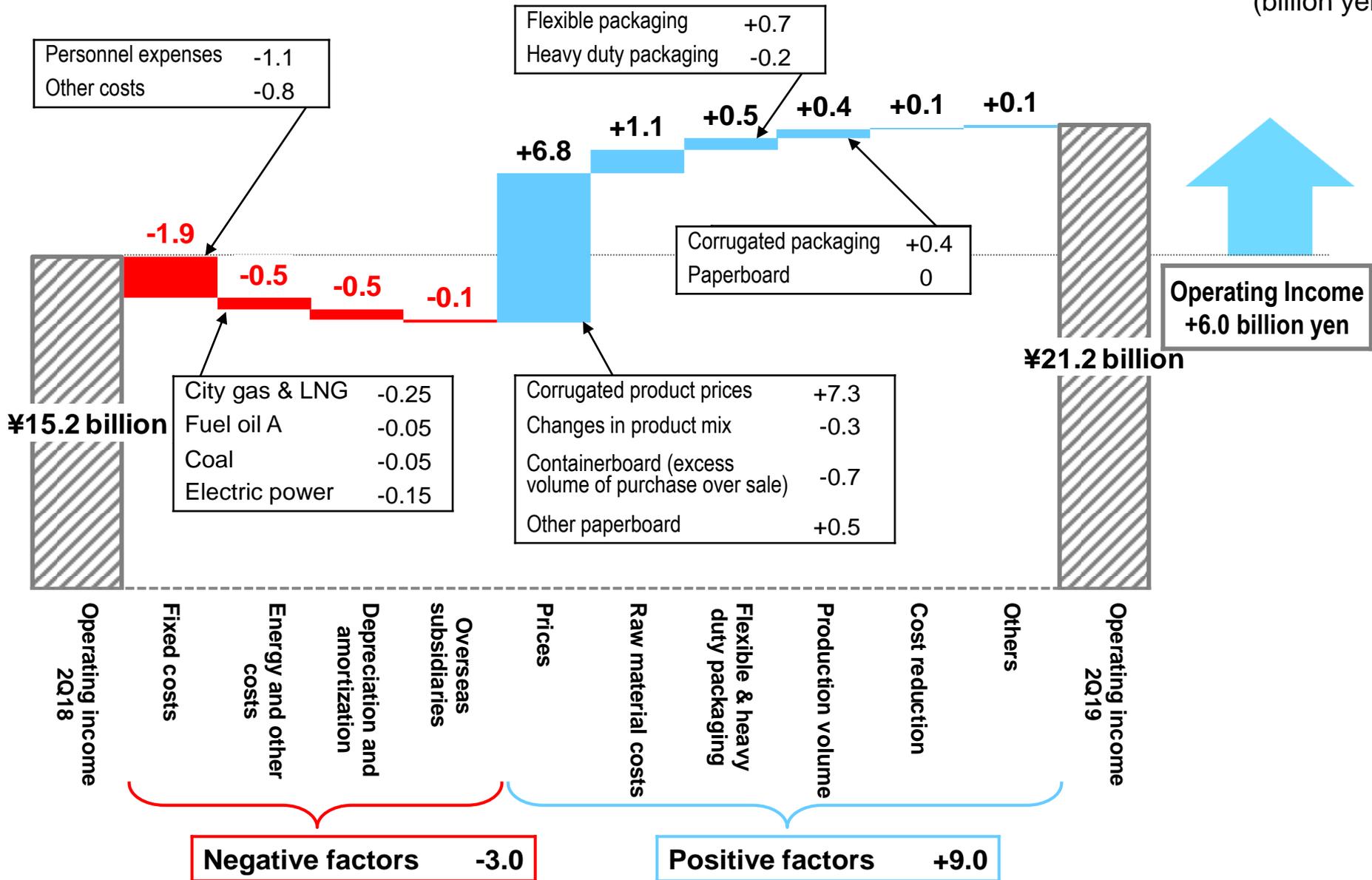
Main factors underlying extraordinary gain and loss

(billion yen)

	Apr.-Sept. 2018		Apr.-Sept. 2019
(Extraordinary gain)		(Extraordinary gain)	
		Insurance income	0.2
(Extraordinary loss)		(Extraordinary loss)	
Loss on disaster	0.2	Loss on sales/retirement of noncurrent assets	0.4
Loss on sales/retirement of noncurrent assets	0.1	Loss on plant closing	0.3
Loss on plant closing	0.1	Plant renewal expenses	0.3
		Loss on disaster	0.1

4. Breakdown of Changes in Consolidated Operating Income (Year-on-year)

(billion yen)



5. Detailed Consolidated Performance (Year-on-year)

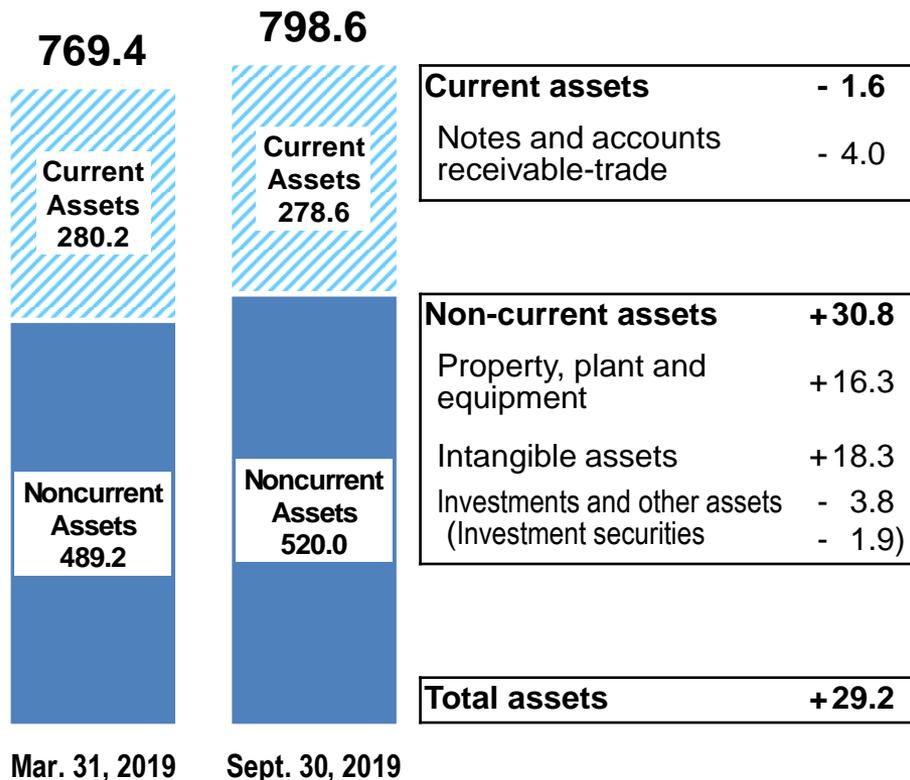
		Number of companies*		Net sales (billion yen)				Ordinary income (million yen)				Containerboard production (1,000 MT)			Corrugated board production (million sqm.)		
		2Q18	2Q19	2Q18	2Q19	YoY %	Diff.	2Q18	2Q19	YoY %	Diff.	2Q18	2Q19	YoY %	2Q18	2Q19	YoY %
1	Rengo (unconsolidated)	1	1	160.7	168.6	104.9	7.9	8,947	13,432	150.1	4,485	912	909	99.7	1,106	1,105	99.9
2	Paper manufacturing subsidiaries	2	2	14.2	15.7	110.5	1.5	1,513	2,448	161.8	935	207	212	102.4			
3	Paperboard packaging subsidiaries	32	33	94.1	107.9	114.6	13.8	3,060	3,463	113.2	403				976	1,054	108.0
4	Flexible packaging subsidiaries	1	1	30.4	31.6	104.0	1.2	933	1,323	141.8	390						
5	Heavy duty packaging subsidiaries	1	1	22.0	21.7	98.5	-0.3	1,526	1,284	84.1	-242						
6	Other subsidiaries	5	5	75.6	83.0	109.7	7.4	1,408	1,486	105.5	78						
Domestic total (1 to 6)		42	43	397.1	428.5	107.9	31.4	17,387	23,436	134.8	6,049	1,119	1,120	100.1	2,081	2,159	103.7
7	Paperboard packaging & nonwoven products Subs.	8	9	11.2	10.6	95.2	-0.6	463	364	78.6	-99				129	143	110.9
8	Flexible packaging subsidiaries	3	3	5.5	5.4	99.2	-0.1	358	500	139.7	142						
9	Heavy duty packaging subsidiaries	88	95	29.4	28.0	95.1	-1.4	1,901	1,464	77.0	-437						
Overseas total (7 to 9)		99	107	46.1	44.1	95.6	-2.0	2,722	2,328	85.5	-394	-	-	-	129	143	110.9
10	Companies subject to the equity method	15	16					1,270	981	77.2	-289						
Intersegment eliminations				-122.7	-134.6	-	-11.9	-4,743	-4,426	-	317						
Total		156	166	320.5	338.0	105.4	17.5	16,636	22,319	134.2	5,683	1,119	1,120	100.1	2,211	2,302	104.1

* Changes in subsidiaries and affiliates compared to the prior year are as follows.

- One company increased in the domestic paperboard packaging subsidiaries (Rengo Toppan Containers Co., Ltd.).
- One company increased in the overseas paperboard packaging and nonwoven products subsidiaries (Settsu Carton Vietnam Corporation).
- Seven companies increased in the overseas heavy duty packaging subsidiaries (each of them belongs to the Tri-Wall Group).
- One company, an affiliate in the Tri-Wall Group, increased in the companies subject to the equity method.
- TRICOR is excluded from the above companies because only its balance sheet has been consolidated in the period under review.

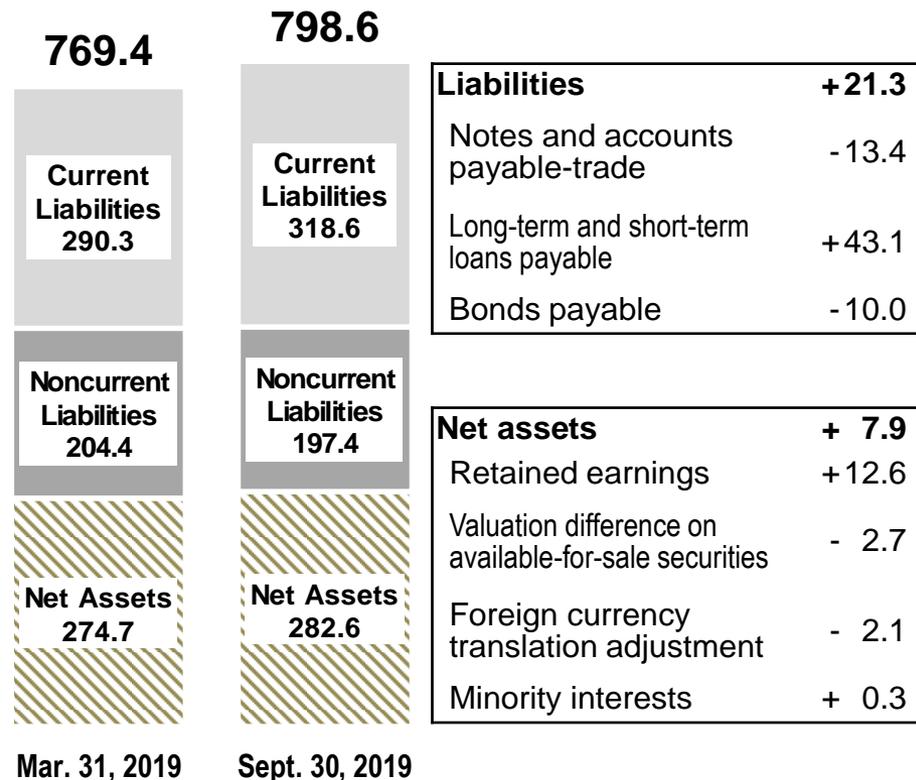
6. Consolidated Balance Sheet

Assets



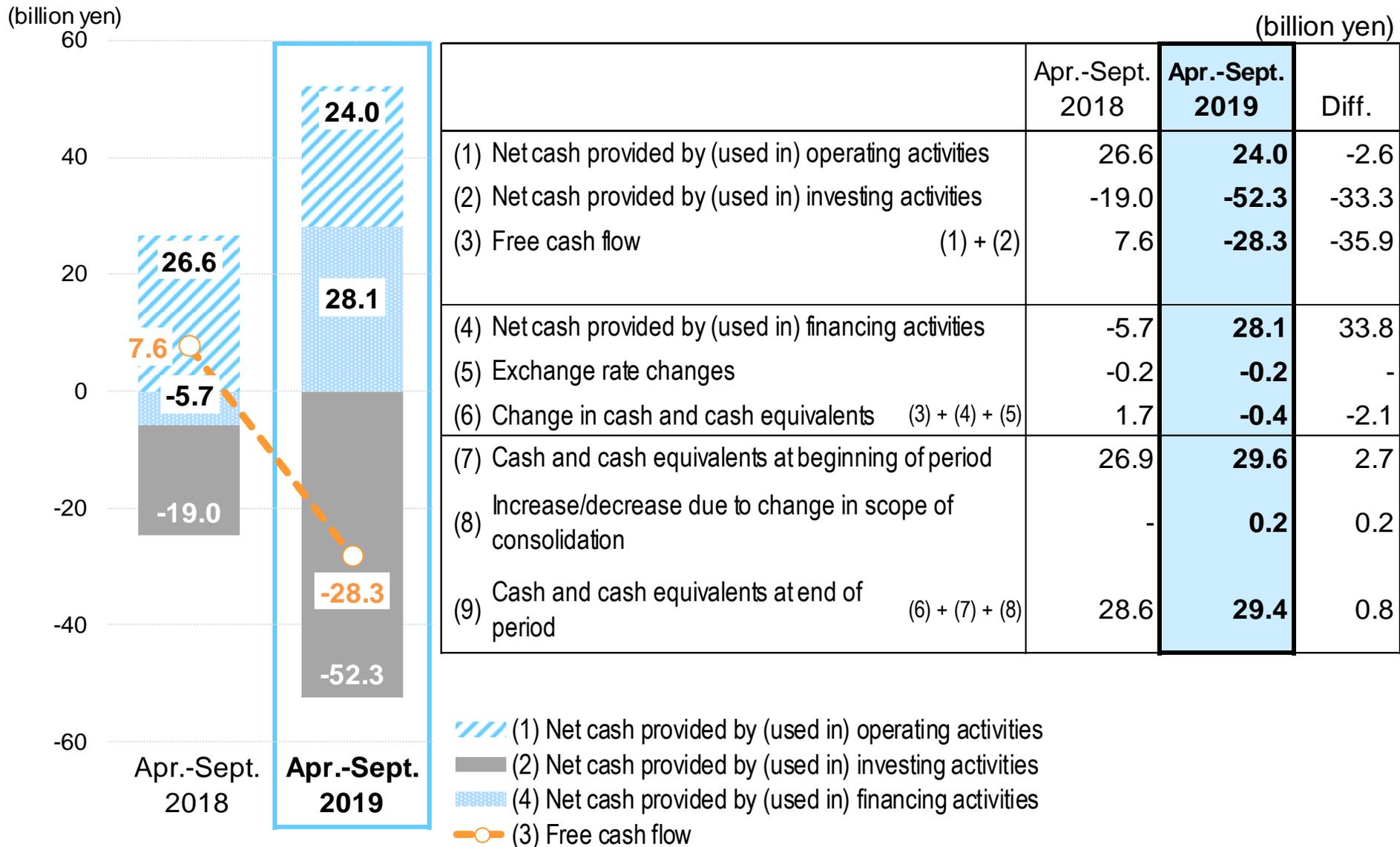
Liabilities & Net Assets

(billion yen)



	Mar. 31, 2019	Sept. 30, 2019	
Interest-bearing debt	¥283.1 bn	¥318.3 bn	(+35.2 billion yen)
Capital adequacy ratio	34.3 %	34.0 %	(-0.3 pts)
D/E Ratio	1.07 times	1.17 times	(+0.10 pts)

7. Consolidated Statement of Cash Flow



8. Consolidated Income Statement Forecast for FY2019 (Year-on-year)

Income statement

(billion yen)

	2Q19 Forecast	2Q19 Actual	YoY
Net sales	350.0	338.0	-12.0
Operating income	20.0	21.2	1.2
Ordinary income	21.0	22.3	1.3
Profit attributable to owners of the parent	15.0	14.9	-0.1

FY2019 Forecast	YoY	Diff.
700.0	107.2%	46.9
35.0	138.4%	9.7
37.0	134.8%	9.5
25.0	145.7%	7.8

9. Major Financial Indicators

		(million yen)	
		FY2018	2Q19
(1) Net sales		653,107	337,977
(2) Operating Income		25,292	21,222
(3) Ordinary Income		27,454	22,319
(4) Profit attributable to owners of the parent		17,163	14,877
(5) Total assets		769,355	798,598
(6) Total shareholder's equity ^{*1}		263,948	271,546
(7) Net assets		274,697	282,639
(8) Interest-bearing debt		283,071	318,328
(9) Capital expenditures		36,512	17,350
(10) Depreciation and amortization		32,259	16,223
^{*1} Total shareholders' equity = Net assets - non-controlling interests			
(11) Return on equity (ROE) ^{*2}	%	6.6	- (4) / (6)
(12) Capital adequacy ratio	%	34.3	34.0 (6) / (5)
(13) EBITDA	million yen	59,028	- (2)+(10)+Amortization of goodwill
(14) D/E Ratio	times	1.07	1.17 (8) / (6)
(15) Ratio of net sales to interest-bearing	%	43.3	- (8) / (1)
(16) Ordinary income margin	%	4.2	6.6 (3) / (1)
^{*2} Calculated with the average of equity at the beginning and the end of the year			
Cash dividends applicable to the period	yen	14	8

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The description of the business plan and the financial forecasts is based on the information currently available.
Any forward-looking information is not a guarantee of future performance.